Objection to the report on pension reforms

†1701. SHRI P.K. MAHESHWARI: Will the Minister of LABOUR be pleased to state:

(a) whether Employees Provident Fund Organisation (EPFO) has raised strong objections to the reports on pension reforms submitted by Insurance Regulatory and Development Authority (IRDA) and Dave Committee;

(b) if so, the recommendations made by the Insurance Regulatory and Development Authority and Dave Committee on pension reforms in their respective reports to Government and the details thereof; and

(c) whether Government propose to have consultation with the Employees Provident Fund Organisation before implementing the recommendations of these Committees?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI ASHOK PRADHAN): (a) to (c) The recommendations of the Dave Committee were examined by Central Board of Trustees (EPF) and were rejected in so far as these pertained to the Employees Provident Fund Organisation activities. Dave Committee in its report examined and recommended the matter of Old Age Social and Income Security for the workers. The Committee *inter-alia* suggested a new regulatory agency namely Indian Pension Authority (IPA). The Insurance Regulatory & Development Authority (IRDA) has recommended a regulatory framework for setting up pension funds to enable individuals to subscribe on a defined contribution basis to obtain the benefits of pensions on their retirement.

Ceiling and entitlement for bonus payment

1702. SHRI JIBON ROY: Will the Minister of LABOUR be pleased to state:

(a) whether it is a fact that the central trade unions are demanding rise in both ceiling and entitlement of bonus payment and the matter is pending since long with his Ministry;

(b) if so, whether Government would resolve the issue amicably; and

†Original notice of the Question was received in Hindi.

(c) since when the ceiling has not been raised and what was the consumer price index when the ceiling was last revised?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI ASHOK PRADHAN): (a) and (b) The Central Trade Unions have been demanding for amendment of the Payment of Bonus Act, 1965 for raising of eligibility limit and calculation ceiling. The issue is under examination in the light of its wide ranging financial repercussions as the benefits of enhanced bonus will have to be extended to the employees of PSUs (both Central and State), Central and State Government employees and to the employees of autonomous organizations apart from private sector resulting in huge financial burden to the Government exchequer.

(c) The eligibility limit and calculation ceiling for payment of bonus were last raised from Rs. 2500/- to Rs. 3500/- and from Rs. 1600/- to Rs. 2500/- respectively by an amendment to the Act in the year 1995 and were made effective from 1.4.93. The Consumer Price Index for Industrial Workers (Base 1982) was 243 as on 1.4.93.

Linking of minimum wages with consumer Price Index

1703. SHRI JIBON ROY: Will the Minister of LABOUR be pleased to state:

(a) whether it is a fact that many States have not linked daily minimum wages with consumer price index;

(b) if so, the names of such States;

(c) whether it is also a fact that basic bench mark wage is not being changed in most of the States since 1993; and

(d) the State-wise wage (Exclusive of DA) movements between 1993-2002?

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI ASHOK PRADHAN): (a) and (b) In order to protect the minimum wages against inflation, the concept of Variable Dearness Allowance (VDA), linked to Consumer Price Index, has been adopted by Central Government. As regards States, 22 States/U.Ts. have made VDA a component of minimum wages. The States/U.Ts. which have not yet adopted VDA are shown in Statement-I. (*See* below)